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The C tor of Central Intelligence.

Washington, D. C. 20505

Executive Registry

86- 3725/2

11 September 1986

NOTE FOR: DDI

FROM: DCI

Please send to the person who handles

economic matters.

William J. Casey

Attachment: ER 86-3725X/1





United States Department of the Interior

**Executive Registry** 

National Strategic Materials and Minerals Program **Advisory Committee** Washington, D.C. 20240 A September 1986

**86-** 3725X/1

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W. Glen Zinn Molycorp, Inc.

Philip C. Walsh

Dear Bill attached is the package we will be tabling and discussing with Bill Clork

STAT

Both the Congressional Kessarch Service Report and the interin GA & Briefing Report to the House & Sevate Armed Services d'air are devastatingly critical of the administration stockpill plan announced in a press release July 8, 1985. The ferral 9 A O neport is apt to be even more contrial

The points we are going to make with Judge Clork are listed in enclosure (1). One of them will be the Reagon press release of October 21. 1980 which I helped anoft at the request of the Yovernor's Compaign manager! At is grossly inconsistent with the July 8th priess refeat and that inconsistincy opens the administration to political attack.

Fronk and I hope to sel you again soon. His new book "an Intelligent Loy Person's quideto SPI is selling like hox cakes. The Conservative Book Club bas requested 8,000 copies, Supplement your Cy Hirsch neading with Bornett it alon SDI

1. President's position and commitment prior to election has been abandoned.

1982 statement following election

- 2. Nation's stockpile situation worse than ever. Totally gridlocked.
  - a. NSC stockpile study fundamentally flawed. Has evoked strong and broad opposition on Hill <u>and</u> downtown.
    - b. Congress has frozen all stockpile transactions.
    - c. Congress is meanwhile deadlocked (House vs Senate) on its own plans. [BENNETT-McCLURE-HUMPHREY BILLS]
- 3. Not a further drain on the budget. With proper management stockpile can be made to work without additional cost.

For example, Mott Committee has proposed the establishment of a quasigovernment stockpile management corporation, with authority to barter excess agricultural commodities to meet stockpile goals.

- 4. To break the gridlock, NSC should be instructed to go back to the drawing board making use of the best qualified national experts from industry, academia and the government such as:
  - (a) National Critical Materials Council
  - (b) National Strategic Materials and Minerals Program Advisory Committee (Mott Committee)
  - (c) National Materials Advisory Board
  - (d) PFIAB
- 5. Administration should then mend fences and consult with key congressional committee members.
- 6. The alternative is a bad bill from Congress.
- 7. Political advantages will ensue from States with both mineral interests and agricultural interests.